

COUNTY OF YORK MEMORANDUM

DATE: February 6, 2002 (BOS Mtg. 2/19/02)

TO: York County Board of Supervisors

FROM: James O. McReynolds, County Administrator

SUBJECT: Proposed Lease of Nick's Restaurant Building to the Industrial Development Authority (IDA)

County staff has been giving thought to whether, following closing on the purchase by the County and the IDA of the property of the Mary Mathews' estate and the corporate stock of Nick's Seafood Pavilion, Incorporated, the County should lease the restaurant building and parking areas to the IDA so that the IDA, rather than the County, becomes the landlord of the restaurant corporation.

There appear to be some advantages to doing so, and it is my recommendation that the Board authorize me to enter into a lease agreement with the IDA of the restaurant property which will allow the IDA to sublease the property to Nick's Seafood Pavilion. The IDA, after all, was created precisely for the purpose of fostering economic development in the County, a goal which envisions not only attracting new businesses to the County, but retaining existing businesses. I anticipate that it will be the IDA, rather than County staff, who will take the lead in finding a buyer for the corporate stock and running the restaurant in the future. I also expect that it will be the IDA owning any shell buildings constructed as part of the County's proposed redevelopment of the Yorktown Waterfront and who will attract and serve as landlord for any businesses operating out of the restaurant/retail space which is proposed to be constructed.

Placing the IDA from the beginning in the position of landlord to Nick's Seafood Pavilion is therefore consistent with the role that the IDA will be expected to play in the Yorktown Waterfront redevelopment. Although the details of such a lease agreement have not been worked out completely, I have attached a draft lease which should serve as a starting point for discussions with the IDA. I anticipate that a final lease agreement would be relatively short term, not extending beyond the time when construction of a restaurant shell building can be expected, after which time more thought can be given to whether Nick's Seafood Pavilion should remain at its present location or moved into a newer structure with a more appealing view of the York River. I also expect that the rent paid by the IDA to the County would be based upon the rent paid by Nick's Seafood Pavilion to the IDA under the existing lease between the restaurant and the Jamestown-Yorktown Educational Trust which would be assigned to the IDA at the time of settlement on the real estate and corporate stock purchase. In fact, once the County and the IDA have had an

opportunity to review the terms of that lease agreement, many of its terms might be incorporated into a lease between the County and the IDA.

Proposed Resolution R02-38, if adopted by the Board, would authorize me to negotiate an appropriate lease of the restaurant building and parking areas to the IDA within the parameters outlined above. For your information, at its regular meeting held on February 6, 2002, the IDA authorized its Chairman to enter into such negotiations and to execute a lease agreement with the County. Moreover, unlike other leases which the County has executed with third parties, the lease of county-owned real estate to an industrial development authority does not require a public hearing, so that the adoption of proposed Resolution R02-38 will authorize me to bring this matter to a conclusion.

Barnett/3340:swb

Attachment

- Draft Lease
- Proposed Resolution R02-38